

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF NEW YORK

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In re:

ROYAL HOSPITALITY LLC  
d/b/a COMFORT SUITES,

Debtor.

Case No. 10-13090

Chapter 11

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**APPLICATION FOR USE OF CASH COLLATERAL**

Royal Hospitality LLC d/b/a Comfort Suites, by its attorneys, Hodgson Russ LLP, seeks relief under 11 U.S.C. §363 for authority to use cash collateral, and alleges:

1. Royal Hospitality LLC d/b/a Comfort Suites, the Debtor herein, filed for voluntary relief under Chapter 11 of the Bankruptcy Code on August 19, 2010.
2. The Debtor has been operating the Comfort Suites in Lake George, New York since May, 2007. The Debtor fell behind on payments due to CIT Lending Services Corporation on its first mortgage and on real property taxes due to inadequate revenue over the past two (2) years. However, in 2010, revenue is expected to exceed \$2,100,000.00 and the Debtor expects to be able to pay all bills going forward.
3. The Debtor's secured lender, CIT Lending Services Corporation ("CIT") has commenced a foreclosure action and seeks payment in full immediately as opposed to restructuring the payment. Attempts to negotiate a restructure of the mortgage failed when CIT required payments of all past-due payments (approximately \$1,000,000.00) before it would entertain any restructuring of payments.
4. The Debtor has filed in Chapter 11 and now seeks permission to use cash collateral to pay its ordinary business expenses.

5. The Debtor believes that the secured claim of CIT is adequately protected because the value of the property far exceeds the debt due to CIT. The Debtor also proposes paying CIT \$25,000.00 per month while the case is pending to cover interest (approximately 4.25%). The Debtor intends to propose a 100% Plan to all creditors.

6. Upon information and belief, no State Court Receiver can be appointed for the Debtor's property.

7. The Debtor's income this year has been sufficient to build up cash revenue to allow it to make regular payments through the winter on its list of scheduled payments (See Exhibit "A" annexed hereto).

8. The Debtor submits that it should be authorized to use cash collateral according to its Budget (Exhibit "A") through October, 2010 and thereafter because secured creditors are adequately protected.

9. The Debtor will pay the 2010 school tax bill due September 30, 2010 which will protect all secured creditors.

**WHEREFORE**, the Debtor, Royal Hospitality LLC d/b/a Comfort Suites, seeks an Order from this Court authorizing its use of cash collateral, according to its Budget for the next ninety (90) days, and for whatever further relief the Court deems just and proper.

DATED: August 19, 2010

HODGSON RUSS LLP  
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